

ORDER NO. 1470

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton;
Tony Hammond; and
Robert G. Taub

Competitive Product Prices
International Business Reply Service Competitive
Contract 3 (MC2011-21)
Negotiated Service Agreement

Docket No. CP2012-59

NOTICE AND ORDER ON
NEW INTERNATIONAL BUSINESS REPLY SERVICE
COMPETITIVE CONTRACT 3 NEGOTIATED SERVICE AGREEMENT

(Issued September 14, 2012)

I. INTRODUCTION

The Commission hereby informs the public that the Postal Service has filed a notice stating that it (1) has entered into a new contract; and (2) asks the Commission to include the new contract within the International Business Reply Service (IBRS) Competitive Contract 3 grouping.¹ The Notice was filed pursuant to 39 CFR 3015.5.

¹ Notice of the United States Postal Service Filing of a Functionally Equivalent International Business Reply Service Competitive Contract 3 Negotiated Service Agreement, September 13, 2012 (Notice).

II. POSTAL SERVICE NOTICE

The Notice provides a general description of the IBRS product and reviews its regulatory history. Notice at 2-3. It states that the instant contract is with a customer entering into its first IBRS agreement and will expire one year after its effective date, unless termination occurs earlier. *Id.* at 3.

Attachments to the Notice provide redacted versions of the new contract; a certification addressing the consistency of costs and prices with applicable statutory criteria; and the original Governors' Decision (No. 08-24) authorizing IBRS contracts and related material. See *id.*, Attachments 1 through 3, respectively. Attachment 4 is an application for non-public treatment of unredacted versions of the material in Attachments 1 through 3.

Postal Service representations. The Postal Service asserts that the instant contract is in compliance with 39 U.S.C. § 3633; is functionally equivalent to other IBRS agreements; and fits within the Mail Classification Schedule language for IBRS contracts. Notice at 3-5. The Postal Service identifies two differences between the instant contract and the IBRS 3 baseline agreement. One is a revision to Article 15, consisting of an additional phrase stating the Postal Service may be required to file information in connection with the contract (including revenues, costs, or volumes data) in other Commission dockets.² *Id.* The other is an additional Article 30 concerning Intellectual Property, Co-Branding, and Licensing. The Postal Service characterizes these differences as minor and asserts that they do not affect either the fundamental service being offered or the fundamental structure of the contract. *Id.*

Based on the reasons presented in its Notice and on the data in the accompanying financial documentation, the Postal Service asserts that the instant contract should be included within IBRS Competitive Contracts 3 (MC2011-21). *Id.*

² The Postal Service references Docket Nos. ACR2012, ACR2013 and/or ACR2014. *Id.* at 5.

III. COMMISSION ACTION

The Commission establishes Docket No. CP2012-59 for consideration of matters raised in the instant Notice. Pursuant to 39 U.S.C. 505, the Commission appoints James F. Callow to serve as an officer of the Commission (Public Representative).

Interested persons may submit comments on whether the Postal Service's filing in the captioned docket is consistent with the policies of 39 U.S.C. 3632, 3633, or 3642 and 39 CFR 3015.5. Comments are due no later than September 24, 2012. The public portions of these filings can be accessed via the Commission's website (<http://www.prc.gov>).

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. CP2012-59 for consideration of the matters raised in the Notice of the United States Postal Service Filing of a Functionally Equivalent International Business Reply Service Competitive Contract 3 Negotiated Service Agreement, filed September 13, 2012.
2. Pursuant to 39 U.S.C. 505, the Commission appoints James F. Callow to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.
3. Comments are due no later than September 24, 2012.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams
Acting Secretary